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INSPECTOR GENERAL

STATE OF CALIFORNIA
OFFICE OF THE INSPECTOR GENERAL
AMERICAN RECOVERY ACT FUNDS

August 18, 2010

The Honorable Arnold Schwarzenegger
State Capitol
Sacramento, California 95814

Dear Governor Schwarzenegger:

California will receive a total of \$185 million in Federal Recovery Act funds to weatherize homes occupied by low income residents to increase energy efficiency, help these families spend less on utilities, and improve their health and safety. These funds are distributed through the state's Department of Community Services and Development (CSD) to 39 local agencies to perform the weatherization.

My auditors have reviewed one of the those agencies, Campesinos Unidos, which is receiving \$2.7 million in stimulus funds for weatherizing homes in Imperial and San Diego Counties.

We found that the workers employed to complete these projects or their field supervisors, inspectors and quality assessors have not been given the critical necessary training. That means that though the work is being performed, there is no assurance that it is being done properly, according to building codes and regulations and done properly in order to achieve the energy savings desired.

In addition, many have been predicting that the new trend in the job market is in "green jobs." A goal of these dollars is to give training to workers so that once the stimulus funding is over, they can attain a job in this growing sector. It is a disservice to the worker, and to the taxpayer, if the proper training is not provided.

While there has been great emphasis and focus from Washington, D.C. on meeting goals for numbers of units weatherized, there are additional requirements to assure quality of the work...one of the most important of which is proper training for the workers.

In the rush to meet the September 30 timeline to complete the federally mandated target of 12,949 weatherized units, CSD must not sacrifice the integrity or effectiveness of the work being done. The Federal Department of Energy has already assured California that we will not be penalized or forfeit the next round of weatherization funding if we hit the target belatedly.

The Department of Community Services and Development should instruct Campesinos to immediately cease ongoing work until the proper training is completed and certified proof is provided. Further, I recommend that CSD verify that its 38 other providers are training and certifying their personnel and assessing the completed work as required.

My report also found that Campesinos' books are in such disarray that we cannot determine how much Recovery money has actually been spent or how well it has been spent. This is not an acceptable way to account for the people's money.

An important part of the promise of the Recovery Act is to spend the money faster than before and at the same time do it better than before. It is a tall order, but it is imperative that we meet the targeted goal of units weatherized and also ensure the quality of the work.

Sincerely,
LAURA N. CHICK
Inspector General